

Procurement transactions. The State would be responsible for generating the agencies' participation at the targeted levels.

In the Claims:

Please add the following claims:

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13. (New) A computer related method for funding a state government procurement system comprising the acts of
- a. providing an internet-based procurement system by a services provider for use by a state government agency for procurement of goods and services;
 - b. providing an Internet portal for use by the state government agency to communicate electronically with the internet-based procurement system; and
 - c. providing an Internet portal for use by a qualified vendor wishing to sell goods and/or services to the state government agency, whereby the vendor pays a fee to a state government agency for an opportunity to be connected to the internet-based procurement system, said fee being used in partial payment to the services provider.
14. (New) The method of claim 13 comprising an additional act of providing the internet-based procurement system to the state government agency for a negotiated price payable to the services provider wherein the negotiated price is designed to provide direct cost savings to the state government agency over other methods of procuring equivalent goods or services.
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15. (New) The method of claim 13 comprising an additional act of providing an Internet portal for a customer of the state government agency, whereby the customer can execute an electronic transaction, via the internet-based procurement system, with the state government agency in exchange for a fee payable to the state government agency for an opportunity to be connected to the internet-based procurement system, said fee being used in partial payment to the services provider.

16. (New) The method of claim 13 wherein the state government agency is able to use the internet-based procurement system to sell by auction or other methods, obsolete or excess inventory held by the state government agency to interested buyers.

17. (New) The method of claim 5 comprising an additional act of providing an Internet portal for use by a qualified vendor wishing to sell goods and/or services to the state government agency, whereby the vendor pays a fee to a state government agency for the opportunity to be connected to the internet-based procurement system, said fee being returned in partial payment to the services provider.

18. (New) A system for providing Internet-based electronic procurement services to a state government agency, comprising:

- a computer having a processor, a memory, a database, and communications connections to the Internet, the computer provided by a services provider;
- a first server mechanism coupled to the computer for providing procurement channels between buyers and sellers of goods and services;
- a second server mechanism coupled to the first server mechanism for communicating with an Internet portal in the state government agency; and
- a third server mechanism coupled to the computer for communicating with a qualified vendor of goods or services who is willing to pay a fee to a state government agency for the opportunity to deal with the state government agency, the fee providing a basis for reducing the price of the procurement system to the state government agency.

19. (New) The system of claim 18 wherein the system for a state government agency is provided by a services provider for use by the state government agency for procurement of goods and services, where the system is funded by fees comprising payments from participating

vendors, payments by investment from the services provider, and payments by transaction fees collected from users of the computerized eProcurement system.

20. (New) An internet based method for use in an eProcurement system by a state government agency comprising the acts of:

providing a web site having a user interface (UI), wherein the UI includes user input and display windows for use by a state government agency user;

receiving at the web site user inputs indicative of a desired product or service;

determining from a database whether the desired product or service is available from a qualified vendor wishing to sell goods and/or services to the state government agency, whereby the vendor pays a fee to a state government agency for the opportunity to be connected to the eProcurement system, said fee being returned to a services provider in partial payment for their services; and

providing information regarding the availability of the desired product or service to the state government agency user, wherein the cost of the eProcurement system is funded by fees comprising payments from participating vendors, payments by investment from the services provider, payments by transaction fees collected from users of eProcurement system and payments of reduced fees from the state government agency.

In the Drawings:

The proposed change to Figure 5 is to change block 537 from showing a payment to "Andersen Consulting" (applicants in this invention) to the more general "services provider."